

- **Twisting** – An agent persuades the policyholder to change policies after the first year that it is in effect, in order that he or she can continue to receive the highest commission rates that typically are paid during that first year.
- **Churning** – An agent tries to sell an additional policy to a person who already has a life insurance policy with cash value. However, the cash value of the old policy is depleted to pay the premium of the new policy, requiring the policyholder to come up with money to pay for both policies, or allowing coverage to lapse.
- **Sliding** – An agent “slides” extra, more expensive coverage into a low-commission policy. The extra coverage typically includes high-cost accidental death, guaranteed renewable term or motor club membership.
- **Understatement of risk, or “cleansheeting”** - An agent omits pertinent health information from a consumer’s application to make a sale which might not otherwise meet the insurance company’s risk-management requirements.
- **Fraud rings** – Be wary if your agent tries to restrict you to going to one particular doctor, auto repair shop, or attorney. This could identify a fraud ring.

MISSISSIPPI INSURANCE DEPARTMENT

Internet: www.mid.state.ms.us
Mail: P.O. Box 79, Jackson, MS 39205-0079
Street: 501 N. West St., Suite 1001,
Jackson, MS 39201

Phone: 601 359 3569
Intrastate Toll-Free: 800 562 2957
Fax: 601 359 1077

Insurance Consumer Services Guide



Mike Chaney

Insurance Commissioner
State Fire Marshal

MISSISSIPPI INSURANCE
DEPARTMENT

We Are Here to Serve You

Whether you are making a decision to purchase insurance or dealing with a insurance claim, the Mississippi Insurance Department (MID) is here to provide as much information and assistance as we can.



Mike Chaney

The mission of the Consumer Services Division is to mediate and resolve conflicts between the insurance industry and the residents of Mississippi, to provide information to the public, and to assist consumers in all phases of their insurance business. We receive complaints from policyholders who feel they have not received fair consideration by insurance companies or agents, and attempt to take corrective action against such practices where appropriate. In 2007, for instance, MID’s Consumer Services Division handled an estimated 20,000 complaints against insurance companies and was responsible for the return of over \$2 million to Mississippi consumers.

Contacting Us

Requests for help with insurance matters directed to MID’s Consumer Services Division are most commonly made by calling toll free from within Mississippi at **800 562 2957**, or **601 359 2453** in the Jackson area. You can mail your request for assistance to Mississippi Insurance Department, Consumer Services

Division, P.O. Box 79, Jackson, MS 39205. General inquiries, complaints, and other matters also may be sent to us via e-mail at consumer@mid.state.ms.us. Be sure to include your mailing address and telephone number with any correspondence directed to MID.

Buying insurance

The insurance marketplace is becoming more and more complex. Oftentimes, the consumer needs assistance in making a decision on which products to purchase for adequate coverage.

You can protect yourself from companies in bad financial shape by asking questions when you are shopping for insurance. Call MID to make sure that the company is licensed to do business in your state. If it isn’t, don’t buy insurance from that company. If you purchase insurance coverage from companies not legally doing business in Mississippi, you will not be protected by the guaranty fund should the company fail.

Check the ratings issued by the different rating companies that conduct financial analyses of insurance companies and grade them. (MID is unable to recommend or provide ratings of individual companies.) Ratings issued by the various agencies are available at most public libraries, or you may call the numbers listed on the next page. If you call, ask what you will be charged for rating information about a company. Some major rating agencies, their internet links, and phone numbers include:

- A.M. Best Co.-908 439 2200
www.ambest.com/ratings.html
(Free ratings via Internet)
- Demotech -800 354 7207
www.demotech.com/stabilityratings.htm
- Duff & Phelps-312 368 3157
www.duffllc.com
- Moody's Investor Service- 212 553 0377
www.moody's.com/insurance
- Standard & Poor's - 212 438 2400
www.standardandpoors.com/RatingsActions/index.html
- Weiss Ratings-800 289 9222
www.weissratings.com

How to file a complaint

When a disagreement with an insurance company leads to the filing of a complaint, specific procedures must be followed in order to accurately and efficiently process your claim. Complaints against insurance companies must



Need help?
Contact MID at
800 562 2957

be filed in writing or by using MID's Complaint Reporting Form, which you may download from our Internet site at www.mid.state.ms.us/consumer/midcmfm.pdf using the free Adobe Acrobat Reader and print on your printer, or request by contacting the MID Consumer Services Division. Complaints also may be filed by e-mail to consumer@mid.state.ms.us; however, they may be returned with instructions for you to resubmit the claim in writing with your signature in order for us to be able to take specific corrective action that may

be required. You must include the following information in order for MID to be able to properly process your complaint:

- your name and your relationship to the insured.
- telephone number where you can be reached during the day.
- name of insured.
- insured's name, address, city, zip code, and phone number.
- the name of the insurance company with which the insured is having a problem.
- address of the insurance company with which the insured is having a problem.
- type of insurance, policy number, claim number, and date of loss.
- In the space provided, please explain your situation or problem.
- Mail the completed complaint form to the address referenced above.

Once we receive your correspondence, it will be assigned to one of our investigators, who will review it and take the necessary steps to resolve this matter. **Please allow us 20 working days to contact the company or agency that is the subject of your complaint. We will notify you in writing of our findings.**

Consumer Tips

- Call the MID's Consumer Helpline toll-free at 800 562 2957 to order our free consumer guides or for help answering any questions that you may have. The brochures also may be viewed and printed by visiting MID's web site at www.mid.state.ms.us/publist.html.

- Know what you are buying. Read the policy and ask questions until you understand it fully. Ask your attorney or a trusted friend or relative to explain things.
- Shop around and compare policies, prices, benefits and services. Call MID at 800 562 2957 to verify that your agent and company are licensed in the state of Mississippi.
- Always get a binder from the agent after purchasing coverage. The binder should show the name of the agent and insurance company, lienholders (if any), policy effective date and time, and the coverage you purchased. It should also be signed by an agent. Your policy should be issued within 60 days of its effective date.
- Know the name of your agent and the insurance company that insures you. They may be different from the name of the insurance agency or Third Party Administrator (TPA).
- Always get a detailed receipt and never pay cash if it can be avoided. Try to pay insurance premiums by check or money order made out to the company or premium finance company.
- Keep copies of all your insurance records. Store extra copies in a safe-deposit box or with a friend or attorney. Keep all copies of insurance policies (past and present) on financed items until the loan is satisfied and you have received your title or deed. It can be very hard to go back and find these records.
- If you decide to change coverage or companies, make sure the new coverage is in effect before canceling the old policy.

- Be aware that if you don't maintain coverage on a financed car or mortgaged home, the financial institution will purchase insurance to protect its own interest. You will be charged for this very expensive coverage, which may not adequately cover your needs.
- Protect your insurance identification card as if it were a credit card. People can commit insurance fraud with your account number.

Buyer Beware

Although the overwhelming majority of insurance agents and companies are reputable, there are a few unscrupulous operators. There are many forms of insurance fraud. Although no one is protected from fraud because of their race, sex or age, the elderly are common targets for insurance fraud. Protect yourself by verifying whether or not an agent or company is currently licensed in Mississippi. Insurance criminals often sound very helpful and considerate. They strike when people are the most vulnerable and their promotions are very enticing. If you feel that someone is offering you something that is too good to be true, report it to MID. Call the Consumer Help Line toll-free at 800 562 2957. Be sure to watch out for these fraud schemes:

- Pocketing – Instead of turning a policyholder's premium payment in to the company, an agent simply "pockets" it and leaves the consumer without coverage.

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